

Title: Why Did Employers Break the Labor Market?

Subtitle: It Wasn't Malice. It Was Familiarity.

For years now, we've been stuck in the same tired conversation: "Why doesn't anyone want to work anymore?" But what if that framing is wrong? What if we reshaped that?

What if the real question is: Why did employers break the labor market?

To answer this, we need to revisit the shift from newspaper classifieds to online hiring. Employers and job seekers experienced the old system differently. For employers, it was transactional—place an ad and wait. For job seekers, it was strategic. They scanned listings daily, tracked wages, spotted typos, and refined their applications. Classifieds were more than ads—they were a real-time information loop that served both sides.

When hiring moved online, it was employers who built the tools. They recreated what they knew—a digital version of their experience. But they didn't realize they were excluding the features job seekers had come to rely on. Information accuracy wasn't created in this economic model and as a result telling job seekers **only** true things became optional.

The result? A job market where misinformation for the silent stakeholder flourished. Their reaction to that misinformation creates the impression of their "laziness" while being the exact opposite.

Job seekers lost feedback loops. Algorithms obscured listings. Ghost jobs proliferated. SaaS platforms had little incentive to remove expired listings—they made money from confusion. Resume black holes emerged. New systems quietly rejected applications, and only employers received training to navigate the tech.

As Dr. Jesse Rothstein's findings in *The Lost Generation* (Journal of Human Resources) suggest, hiring outcomes have been steadily deteriorating. Rothstein doesn't argue this specific theory, but the trend aligns: job seekers have been losing access to the very tools that once made the labor market functional.

The decline of informal hiring networks added fuel to the fire. Job seekers used to ask friends, cousins, or neighbors about how to get in. Early online systems still allowed some of that intel to flow. But as hiring became national, even global, those bridges collapsed. You could know someone at Procter & Gamble and still be flying blind. They got hired through a different tool, in a different state, and no longer understood the process themselves.

The tech evolved fast—and only those inside HR got the manual. Everyone else was guessing.

This wasn't just a cultural shift. It was an economic one.

Newspapers monetized job seekers subscriptions. If people stopped trusting the listings, they stopped buying papers. That model depended on accurate, transparent job ads.

Online platforms flipped the script. They monetize job seeker *time*. Confused or discouraged users actually generate more revenue—more clicks, more subscriptions, more desperate employers trying to reach them. In this model, dysfunction becomes the business strategy.

When both the applicant and the HR platform rep generate profit—but only one gets paid—there's no incentive to improve outcomes. There's only incentive to prolong confusion.

When job seekers stopped being a customer they became a product. And when they became a product they were also an unpaid revenue generator.

For job seekers, the market became a magic claw machine for resumes.

For employers, the norm of a silent applicant turned the same machine into one with a convenient scapegoat.

And here's the thing: it wasn't cruelty. It was indifference.

Like driving home on autopilot, employers recreated what was familiar without ever stopping to consider what was missing. The old system never required them to notice job seekers—so they didn't.

This isn't a story of villains. It's a story of absent systems.

And now, we need new ones.

A labor market without shared visibility is like a library without a librarian. In a world full of clickbait, the best person to tell you if a job is worth applying to is someone who's already flipped through the pages.

That's the promise of reputation systems. Not one-off feedback, but crowdsourced patterns. They restore balance. They help both sides make informed choices.

Platforms like Yelp, Uber, and Airbnb didn't succeed because they picked winners. They succeeded because they surfaced experience. They connected user insight to vendor accountability.

When trust grows, markets get smarter. Transactions get faster, better, and cheaper. Platforms that serve *both* sides create value for everyone.

It's time for hiring to catch up.

Reputation isn't punishment—it's signal.

It's not about blame. It's about fixing a system that never had to be this broken.